

February 27, 1975

SENATOR CAVANAUGH: Senator Syas, these are important questions and the delineation of the questions is important. You heard the testimony . . .

SENATOR SYAS: That's right!

SENATOR CAVANAUGH: . . . and this body did not. Now one of the important aspects of this bill is that, it's my understanding, many of the state colleges are in a precarious financial position.

SENATOR SYAS: Right.

SENATOR CAVANAUGH: What the effect of the bill would be to merge all of the credit of the state colleges with the University, and underwrite that with the total revenues of the State of Nebraska. Now the question that that raises is, with regard to each particular entity, who is being well served? First of all the state colleges, secondly the University of Nebraska system, and thirdly the State of Nebraska as a whole. When I ask you, is the University of Nebraska, as opposed to the state colleges, in a threatened financial condition. Was there testimony to that extent? Do we have to pass this bill to bail out the University of Nebraska? I want an answer to the specific question from the testimony that was . . .

SENATOR SYAS: You're going to get the answer and the University of Nebraska is in trouble along with the rest of them.

SENATOR CAVANAUGH: Yes. What is the level of their trouble?

SENATOR SYAS: I don't recall the specific figures, but they are in trouble, yes. Senator Stull here says it's what . . . he's says it's \$6,859,000.

SENATOR CAVANAUGH: And they will be unable to meet their obligations from revenues derived from the dormitories. At what point will they be unable to do that?

SENATOR SYAS: Well you know that they can't handle it. Well, I'm not saying the bonds will never get paid off. I couldn't say that. They're now falling in rate because there's not enough people living in them to pay off the revenue bonds. I cannot predict the future.

SENATOR CAVANAUGH: This year, Senator Syas.

SENATOR SYAS: They're in trouble.

SENATOR CAVANAUGH: Will the University of Nebraska meet its obligations to retire its bonds . . . to make its bond payments on interest and principle?

SENATOR SYAS: As I recall the testimony, no. Not at the full rate of 100 percent.

SENATOR CAVANAUGH: The University of Nebraska, this year, will not . . .